



**Mr. Prashanth Achar - CEO**

# GP PETROLEUMS LIMITED

## *Transforming for Growth is the Mantra!*

### **W**hat are GP Petroleums Ltd core values?

GP Petroleums (GPPL) has had a long history of being a trusted lubricant solution provider since 1973! On taking over as the CEO, I was busy redrafting the strategy for the company, to put it on a growth trajectory. Before even the strategy strawman was ready, the pandemic was lurking in the open and the Country went under lockdown. Alongside the strategy development it was essential to build the right culture. As Peter Drucker says, “the culture would eat strategy for breakfast”. Culture is very much underpinned by the values inherent to an organization. Nature as well as nurture do play a role here. We have a unique heritage legacy of 48 years in the industry that comes with many positives and a few negatives. It was all about nurturing the Organisation culture to make it contemporary on the strength of its nature. The Brand has been here for nearly 5 decades, but we are young at heart and full of passion, our actions reflect agility and youthfulness. We are a young organization with an average employee age at 35 years.

I went into a multiple huddle with my Leadership team, and we carried out employee surveys to understand our differentiators and ideas to make GPPL a sought-after place by all stakeholders. Based on the findings, we rewrote our values.

We set foot on the PATH... passion, agility, thinking big and honesty.

Passion is what transforms the mundane job into a piece of art. Passion has helped us in achieving holistic business growth and implementing strategies – drive faster conversion time of inventory to cash what we refer as ‘tank to bank velocity’, enhancing sales productivity, bring efficiency and effectiveness in procurement and production, and drive excellence in every aspect of business.

Agility is what sets us apart from the pack with unmatched speed of decision, the team being empowered and customer centric. GPPL’s turnaround time is the shortest in anticipating and responding to customers’ needs.

The entrepreneur mindset challenges everyone to think beyond the job description. Thinking big starts from small activities which enable big gains in efficiency and about newer ways of working as well as newer business opportunity to enhance business health.

Honesty is about walking the talk. For example, our product promise is right quality at right price! The Company has fostered a culture of transparency and open communications with informal communications taking precedence over official methods.

These endeavors were spearheaded with the motto being ‘Play for Profit\$ with passion’. The Employees indeed became the ‘Capital’ and rose to and through



difficult and challenging business and economic situation to deliver superior results.

Our new motto - Passion for Growth has got ingrained in every employee and now boasts as our logo tag line. Transforming for Growth is the Mantra!

### **HOW DOES GP PETROLEUMS LTD DIFFERENTIATE ITSELF FROM THE COMPETITION?**

We have a brand legacy of 48 years which only a handful of the 198 players in lubricant industry can match. The long association we have had with our customers has cemented a strong partnership in industrial and rubber process oils. Our customers vouch by our metal working oils, for example, Aquacut 125, which have over the years become generic names. We have been the solution providers to leading automotive companies and their ancillaries ever since they set up their shop here.

We have partnership with most of the leading tyre manufacturers and one in 15 tyres manufactured in the country has IPOL process oils.

In the hotly contested automotive segment, we have a distinct advantage in dual-brand play with home-brand IPOL and Spanish brand REPSOL. The duo play neatly into multiple price points. There's hardly a motorcyclist who hasn't heard of Repsol due to the long association of the brand with MotoGP and they being the world champions in over 80 races! The other strength that I brag about is our rural penetration. This is a difficult space to penetrate, and we have excellent presence here with vintage distributors. Micro-financing that we promoted last year to support the channel during difficult times has kept the network healthy.

Our blend plant with an annual capacity of 80,000MT is fit for

purpose and helps us churn out products at low costs. The network of 22 depots and over 600 Distributors, spread across the country, helps us serve our customers in the remotest locations. The in-house base oil storage facility of 15000 MT is one of the largest in the Indian industry. GPPL's R & D facility continuously engages the stakeholders and delivers bespoke solutions. GPPL is associated with the test houses like AVL, ARAI and ICAT for the product performance studies for the automotive lubricants.

GP Petroleums Ltd, the made-in-India brand, has stood unwavering since its inception in 1973, almost now for 48 years, serving the customers amidst fierce competition from large sized MNC. The trust we enjoy since the last 5 decades, is withstanding the test of time, along with the product performance and consistent quality. Our customer centricity, being agile and providing bespoke solutions is one of the major asset and our customers cling to us, like our oils !

Being an Indian company, we have always valued Indian ethos and remain frugal in our approach to economics.

### **WHAT ARE THE PLANS FOR THE FUTURE IN TERMS OF EXPANSION AND GROWTH?**

We have embarked on a growth agenda and the strategy encompasses organic and a few allied inorganic options. We are currently operating at 70% capacity and with a small investment we can accommodate twice the tonnage of today.

We had envisaged setting up a greenfield plant at Saronda with 275,000MT capacity and project outlay of Rs 100 Crores. For now, we are observing the ever-changing situation and will decide in the midterm.

The lubricant industry will grow by a fraction of a percentage point on tonnage basis as the technology further evolves. Industry estimates suggest a further decline in FY22 on an already lower base of FY 21. However, it will grow in value terms. For GPPL, growth will come from entry into newer segments. We will continue to be driven by our motto "Passion for growth". We have a large headroom for growth in all verticals. Fighter brands are not directly governed by market growth but in their ability to capture others share. As consumer awareness improves, products with honest price tags get picked up in place of premium Brands.

We operate with market share varying up to 10% in different segments. However, we are one of the fastest growing. We have ample headroom as we keep targeting the different quadrants of Ansoff Matrix with the 4 verticals.

The IPOL brand required a facelift to stand out in a clutter. The brand stood on a good 48 years of legacy and enjoyed the trust of customers amidst competition from MNC rivals. For starters, our packs started boldly making the statement – 'Trusted Since 1973', signifying the trust and confidence of customers. While that gives the credibility, the Quality seal that is engraved on the pack is our commitment of product performance. The product promise is clearly spelt out on the pack. The brand building efforts will continue with Voice of Customers and Channel Advocacy. During times like these, value for money brand is preferred by customers.

The Automotive strategy of 3R ( REACH, RETAIN & RANGE ) will address doubling of retail footprint following the weighted distribution model and RTM interventions like D2D (Direct to Dealer) model, Omni-channel workforce etc. New growth drivers are new-age tractors, SUVs & Scooter segment, with immense potential.

Industrial business will continue to drive volume and move the premium needle. The big idea is of de-risking the business of its current dependence on the cyclical automotive segment. Focus will continue on premium segments like semi-synthetic coolants and specialty greases apart from driving the Distributorisation agenda. Capability is being built to grow new segments like cement, paper, plastics etc.

vertical continues to de-risk the business with entry into new segments such as Injection molding, Tyre industry in the Country is booming and we will take more than our fair share of it with our value-added offers such as PCA and superior products.

Trading gives us procurement efficiencies and additional opportunistic business and we will be selectively progressing this option as we have access to global refineries.

**WHAT STRATEGIES DOES GP PETROLEUMS LTD HAVE IN PLACE TO IMPROVE YOUR SUPPLY CHAIN AND BUILD LONG TERM RELATIONSHIPS WITH KEY SUPPLIERS?**

We have partnerships with global refineries and leading additive manufacturers. We have a Trading vertical that helps in procurement efficiencies by increasing the ticket size. and having a trading wing helps us in procurement efficiencies.

**What are some of the key goals Mr. Prashanth Achar and GP Petroleums Ltd has achieved since he has been there?**

Prashanth is an oil veteran with over 25 years of experience and specialization in the automotive and lubricant industry within the Asia & Pacific landscape. Over the past 2 years, he has been revamping the business at GP Petroleums and

driving the cultural change to build an open, transparent, and respectful organization.

“The best outcome is when one is playful and passionate, hence, it is necessary to create an organization which is a serious-fun-place,” he says. “Play for Profit\$ with Passion! is the simple mantra,” he adds.

Revisiting the vision through the new strategy and underpinning the strategy with the right Culture through a transformation journey he has put GPPL on a growth trajectory. During the pandemic, it was all about being innovative in quickly addressing the changing demands. The ‘Back to Basics’ strategy was transformed into ‘Efficiency for Survival’ programs.

A plethora of initiatives underpinned the strategy. One was the ‘tank to bank velocity’, to align the whole Organization on liquidity, covering inventory management, lean manufacturing, value engineering, standardization, responsible sales and account receivables. The footprint was widened beyond the frontiers with

exports. The brand IPOL with its legacy of 48 years was repositioned and GP Petroleums was given a new identity.

Leading from the front, he provided thought leadership, people skills and transformational mindset with staunch belief in team’s capabilities. “I spend time building teams and they in turn build the business!”, he claims. “People as Agenda” was rolled out alongside the strategy work, to build capabilities, reward & recognition programs, create the leadership bench strength – in short, build the ‘performance culture’.

Being a proponent of a hybrid – Phygital model, he relies on motivating than control, principles than policies, heart than head, innovation than routine, informality over formality and thereby excites the team. “Break all barriers but then stand your ground, spend the money as if it is yours. You don’t need any prior approval” he proposes to the team.

